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September 29, 1978

Dr. Sol J. Buchsbaum
Vice President
Network Planning and Customer Services
Bell Laboratories
Room 4E 605
Holmdel, NJ 07733

Dear Sol,

When we had dinner in Washington September 10, I mentioned to you my efforts over the last decade or so, along with Pat Haggerty, to interest the world in a tax credit for contributions for the support of research in universities. You expressed the view, I believe, that that might be a good thing for small organizations, but that Bell Labs would never be interested in such a tax credit scheme.

My own view is that there must be some level of tax credit at which any organization would rather give its money to a university to have research done in a field of interest to the organization (as closely specified as it can get the university to work on it), and that it is just a matter of level of tax credit that we are talking about.

You might be interested in my testimony of 04/26/78, which I mentioned to you. The second paragraph on page 4 contains the tax credit proposal.

After my testimony, I was surprised to receive the enclosed letter from Parker Coddington of Harvard University. You may be interested in this correspondence and in the H.R.3791 of 1965 which he brought to my attention.

I have been thinking about the viewpoint which I understood you to express, and I must confess that there is no basis on which I can understand why an organization, no matter how big, would turn down the opportunity to do 1.7 times as much work for the money (a 30% tax credit versus a 50% deduction for work done in its own laboratory) or (if that is not enough incentive) 5 times as much work for the same money (90% tax credit instead of 50% deduction). Perhaps I misunderstood you.

I would really like to obtain other views (preferably

supporting ones) in this matter, because I hope to be able to advance the cause of tax credit for support of research in universities.

Do let me know what you think.

Sincerely yours,

Richard L. Garwin

Encl:

04/28/78 LTR P.L. Coddington to RLG., with enclosed
H.R.3791.
05/08/78 LTR RLG to P.L. Coddington.
05/08/78 LTR RLG to L.L. Beasley.
04/26/78 Testimony to the Subcommittee on Science,
Technology and Space of the Senate Committee on
Commerce, Science, and Transportation.

cc:

L.M. Branscomb, IBM
W.O. Baker, Bell Labs
N.B. Hannay, Bell Labs

RLG:mll:272,SB